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SUGGESTED PRESS STATEMENT RE ADDITIONAL FILINGS WITH  
THE OFFICE OF GOVERNMENT ETHICS

Mr. Casey's accountant and his investment advisor have reviewed, at his request, his trust, custodial and other personal records for the last ten years. This review brought to light additional security holdings emanating from pre-1970 transactions. Most have little or no value. Only one produces any income. In addition, this review revealed bank loans on which Mr. Casey and co-signers are contingently obligated. Mr. Casey also reported an interest in a patent and a computer which is related to a business previously disclosed.

## CIA Head Casey Omitted 14 Assets, Debts In Disclosure of His Financial Records

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — CIA Director William Casey failed to list 14 of his investments and liabilities on financial disclosure reports he filed early this year.

The investments were omitted because of "inadvertence," Mr. Casey and a Central Intelligence Agency attorney explained in memos to the Government Ethics Office. Some of the assets don't produce income, Mr. Casey said, so they didn't show up when he reviewed his tax records. Others are "small in amount, unimportant and of minor value" compared with the rest of his holdings, he added.

The previously undisclosed investments include assets with an aggregate value of more than \$218,000, according to the memos. The memos also disclose contingent liabilities, or loan guarantees, of more than \$450,000 and a personal debt of \$18,000.

Mr. Casey told the Ethics Office that he was disclosing the contingent liabilities even though he didn't believe it was required. Ethics Office officials confirmed that federal statutes aren't clear on whether contingent liabilities must be disclosed.

Mr. Casey is amending his original disclosure reports to include the investments and liabilities. The new information apparently doesn't disclose any conflicts of interest, J. Jackson Walter, Ethics Office director, said in a letter to the Senate Intelligence Committee. Mr. Walter said he "will accept" the amendments.

"I haven't any reason to believe there's been a willful failure to file," Mr. Walter said in an interview. Under federal law, the Attorney General can bring a civil action against officials who "knowingly or willfully" fail to report required information.

The unreported debts and holdings were discovered when Mr. Casey reviewed his records for the Intelligence Committee's current inquiry into his financial transactions. The panel started its investigation after a federal judge ruled that several years ago Mr. Casey and other directors of Multiponics Inc., a failed agricultural company, knew of misrepresentations and omissions in a securities circular for the company.

Mr. Casey's appointment of Max Hugel, a businessman and Reagan campaign aide, as CIA deputy director for operations also is being investigated by the committee. Mr. Hugel resigned after former associates accused him of improper and possibly illegal business activities.

The committee's staff plans to make a public report after completing its investigation next month. Following a preliminary staff report last month, the committee unanimously decided there wasn't any reason to conclude that Mr. Casey was "unfit" to head the CIA.

In his memos to the Ethics Office, Mr. Casey asked to add 10 investments and four liabilities.

Most of the undisclosed assets represent investments by Mr. Casey in small new ventures in various businesses. Mr. Casey said he failed to report stock holdings totaling \$50,000 in Vanguard Ventures, \$15,000 in SWC Information Co. and \$19,000 in Energy Transition Co.

In addition, Mr. Casey didn't disclose investments in Kinetics Inc., Detwiler Development Corp., Patrician Paper Co., Unitrode Corp. and Long Island Commercial Review Inc., which is in reorganization proceedings.

Mr. Casey also didn't indicate that he purchased a Data General Corp. computer for \$128,000 and leased it to COAP Planning Co. However, Mr. Casey hasn't yet received any income from this arrangement, the CIA said.

Likewise Mr. Casey didn't disclose an interest he holds in a patent on a device called the tri-rotor engine. He has received \$30,000 from this holding since 1975, although he didn't receive any payments in 1980, the CIA memo said.

Disclosure of the Kinetics holding wouldn't have been required because it is too small, Mr. Casey said, but he asked that it be added anyway.

Mr. Casey also disclosed that he and others guaranteed loans made by National Savings & Trust Co. and Royal Bank & Trust Co. He also added a debt to U.S. Trust Co.

The intelligence committee's investigation is focusing heavily on Mr. Casey's involvement in Multiponics, although the panel also is looking into his other business activities, staff members said.

## Casey Amending Ethics File to List 10 More Assets

By EDWARD T. POUND

Special to The New York Times

WASHINGTON, Aug. 17 — The Federal Office of Government Ethics today released documents showing that William J. Casey, the Director of Central Intelligence, intended to amend his personal financial disclosure to include additional assets worth more than \$250,000.

Those holdings were not reported by Mr. Casey, who is a multimillionaire, in the report he submitted Jan. 12.

The documents released today, correspondence from Mr. Casey and the C.I.A., showed that the director planned

to amend his report to reflect 10 additional business interests. They also show that Mr. Casey had informed the ethics office of three contingent liabilities totaling \$472,000 in which he had guaranteed repayment of loans and a direct liability of \$18,000.

On July 28 Mr. Casey notified the ethics office that he had inadvertently neglected to disclose stock holdings in three companies: Vanguard Ventures Inc., an investment banking concern; the SWC Information Company, which is engaged in publishing, and the Energy Transition Corporation. He valued those holdings at \$75,000.

Mr. Casey acted after The New York Times disclosed that he had not listed his Vanguard Ventures stock on his January statement to the ethics office.

The Ethics in Government Act of 1978, under which Mr. Casey submitted his original statement, requires Federal officials to disclose holdings valued in excess of \$1,000. The law permits the Justice Department to bring a civil suit against an official who "knowingly or willfully" fails to report required information. Mr. Casey has said that he inad-

vertently did not report some information on his January statement. J. Jackson Walter, the director of the ethics office, said today that there was no basis to believe that Mr. Casey's failure was intentional, and he said the matter would not be referred to the Justice Department.

The Senate Select Committee on Intelligence is reviewing Mr. Casey's financial activities and his appointment of Max C. Hugel as chief of clandestine operations at the intelligence agency. The inquiry was prompted by Mr. Hugel's resignation last month in the midst of charges that he had engaged in financial improprieties while in private business. Mr. Hugel denied the improprieties.

### An 'Extensive Review'

Last Friday, Ernest Mayerfeld, who is the C.I.A. ethics official, notified the ethics office that Mr. Casey's investment adviser had made an "extensive review" of the director's personal records and discovered seven additional business holdings that had not been previously reported. "These holdings are small in amount, unimportant and of minor value in the context of Mr. Casey's entire portfolio," Mr. Mayerfeld wrote.

The holdings included a \$128,000 computer purchased in 1979 by Mr. Casey and leased to one of his businesses, the COAP Planning Company, a concern that was included in his January report. The assets also included stock and a \$25,000 debenture in The Long Island Business Review, a daily publication; \$12,500 stock in the Unitrode Corporation; an interest in a patent purchased in 1976 for \$15,000; \$5,650 received in 1980 when Mr. Casey's stock in the Detwiler Development Corporation was liquidated; stock purchased for \$2,250 in 1980 in Patrician Paper Company Inc., and a minor stock interest in a Florida concern, Kinetics Inc.

In a letter today to Senator Barry Goldwater, the chairman of the Senate Intelligence Committee, Mr. Walter said that his office had been advised by the intelligence agency that none of the concerns listed in the additional filing "maintains any current contractual relationship with the C.I.A."

## CIA Statement

At 2 p.m. today, William J. Casey, Director of Central Intelligence, complied with the request of the Senate Select Committee on Intelligence and delivered all materials requested by the Committee.

A letter has gone to Committee Chairman Senator Barry Goldwater respectfully requesting a Committee hearing as soon as possible.

Mr. Casey said that he believes it is in the best interest of the country that this matter be handled expeditiously and to facilitate that he would be pleased to appear personally before the Committee and extend his full cooperation on any matters into which Committee Members may wish to inquire.

24 July 1981

DCI Statement

I sincerely regret that Senator Goldwater was provided with inaccurate information which was reflected in his statement yesterday.

Several days ago the staff of the SSCI submitted four pages of questions and numerous materials regarding Mr. Hugel and the circumstances concerning an investment I made over ten years ago in Multiponics, Inc. We have worked long hours to provide answers to those questions and to provide the necessary materials. The material requested is scheduled to be delivered by Monday, 27 July. A number of documents have already been submitted.

We are cooperating in every way with the Committee and with the staff and will continue to do so should additional questions be raised.

The allegation that I made \$750,000 from my investment in Multiponics is absolutely false. In fact I lost my investment and materials being submitted will substantiate that fact.

I believe that the materials which will be provided the Committee next Monday will lay this entire controversy to rest. I look forward to a continued close and productive relationship with Senator Goldwater and with all other members of the Senate and House Select Committees on Intelligence as we work together in the months ahead to strengthen this country's intelligence capabilities.